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TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;
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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 04/03/08

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Articles:

1) TOP HEADLINES

Asahi:

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Mainichi:

CDPC predicts 2.01 million people would be stuck on crowded roads for 3 hours if major quake struck Tokyo

Yomiuri:

Poll: 58 PERCENT support using road tax revenues for general purposes

Nikkei:

Toshiba receives nuclear reactor orders worth 1.4 trillion yen from U.S. power companies

Sankei:

Amnesty International criticizes IOC for giving China's suppression of human rights "tacit approval" and urges China to improve human rights situation

Tokyo Shimbun:

Panel predicts 4.75 million people would be stuck on crowded roads, walk for 15 hours from Marunouchi to Yokohama

Akahata:

Kanagawa police to seek arrest warrant for U.S. military serviceman

2) EDITORIALS

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- (1) Prime Minister Fukuda should talk more about Tibet
- (2) Need for reliable earthquake-resisting system for nuclear plants

Mainichi:

- (1) Welfare Minister Masuzoe first should offer an apology for breaking pension-record pledge
- (2) Education ministry needs to produce good teachers rather than conduct physical tests in elementary schools across nation

Yomiuri:

- (1) Don't jeopardize alliance's credibility

(2) Introduction of metabolic examination would benefit relevant companies?

Nikkei:

- (1) China should hold dialogue with Dalai Lama to bring success to Beijing Olympics
- (2) Need for reliable medical safety committee

Sankei:

- (1) We support absence of Imperial Family members from Beijing Olympics opening ceremony
- (2) DPJ weakening Japan-U.S. alliance

Tokyo Shimbun:

- (1) Arrest of U.S. military serviceman took too much time
- (2) Under revised part-time Law, labor conditions should be improved further

Akahata:

- (1) Film "Yasukuni" -- Don't allow freedom of express to be

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infringed

3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, April 2

NIKKEI (Page 2) (Full)
April 3, 2008

09:58

Met with LDP Diet Affairs Committee Chair Oshima at Kantei, joined by Chief Cabinet Secretary Machimura. Machimura remained.

11:08

Attended the first joint ceremony for the opening of the initial training course for civil servants held at National Olympic Memorial Youth Center at Yoyogi, Tokyo.

12:02

Met with Deputy Chief Cabinet Secretary Futahashi at Kantei.

14:25

Met with LDP Policy Research Council Chair Tanigaki and Machimura.

15:12

Met with State Minister in Charge of Economic and Fiscal Policy Ota, Deputy Assistant Chief Cabinet Secretary Saka and others.

16:05

Attended a Lower House Foreign Affairs Committee session.

18:27

Attended a meeting of the Council for Promoting Consumer Policy at Kantei.

19:48

Arrived at Kantei residence.

4) U.S. sailor to be arrested today on charge of murdering taxi driver

MAINICHI (Page 31) (Full)
April 3, 2008

Kanagawa prefectural police will seek an arrest warrant today for a 22-year-old U.S. Navy seaman (joto suihei), who is one of the crew of the Aegis-equipped cruiser USS Cowpens and is currently in the U.S. military's custody, in connection with a recent incident in which Masaaki Takahashi, a 61-year-old taxi driver of Tokyo's Shinagawa-ku, was stabbed to death in the city of Yokosuka, Kanagawa Prefecture. Kanagawa police will ask the U.S. military to turn over the seaman to local investigative authorities before his indictment, based on an intergovernmental agreement between Japan and the United States on the Japan-U.S. Status of Forces Agreement's improved

implementation. Meanwhile, the U.S. military expressed its intention soon after the incident's occurrence to fully cooperate in the investigation. The local police will arrest the seaman today.

Yokosuka at a loss

In Okinawa, an antibase mood mounts every time an incident is brought about by U.S. servicemen. Meanwhile, Yokosuka has coexisted

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with the U.S. Navy and the Maritime Self-Defense Forces against the backdrop of its history as a military port for the now-defunct Imperial Japanese Navy. Yokosuka's local communities have built up a relationship of mutual trust with the U.S. Navy through voluntary guides and downtown area patrols. Local confidence, however, is now being rocked.

There is a "base tour" to show around historic sites on the premises of U.S. Naval Forces Japan's Yokosuka base. Yokosuka City's municipal government sponsors the tour, with cooperation obtained from the U.S. Navy. Each tour has more than 100 participants. Young people in the U.S. Navy also join the tour with Japanese history fans, and they have deepened friendship through their limited facility in Japanese. However, Yoshifumi Ishii, a 63-year-old voluntary guide, is now beginning to ask himself about being a guide. Ishii, fascinated by a different culture, became a guide. However, he said: "There may be someone who committed a heinous crime. When I think this way, I hesitate to join the tour."

Masamitsu Koshikawa, who chairs a local association of stores in Yokosuka, patrols downtown areas near the base with the U.S. Navy once a month. "We have established a friendship, but . . ." The base plans to hold a cherry blossom festival on Apr. 6. For that event, the association of local stores is also planning some stage shows, including street performances. In the wake of the incident, the U.S. Navy will scale down the festival. "I don't know what's going to happen," Koshikawa said. "I'm really sorry," he added.

Two years ago, there was a robbery and murder in Yokosuka. After that incident, the U.S. Navy imposed a curfew on its Yokosuka-based servicemen and also set up no-alcohol hours. This became a blow to local restaurants and bars. This time as well, the U.S. Navy took similar action on Apr. 2. The action will continue until Apr. 7. A 63-year-old man runs an eatery for over 30 years along the city's Dobuita Dori street with a number of bars standing for U.S. servicemen. He sighed, "The victim of U.S. servicemen's crimes is the economy of Dobuita Dori."

5) Police to arrest U.S. sailor possibly today; U.S. likely to agree to hand over suspect

ASAHI (Page 31) (Full)
April 3, 2008

Kanagawa prefectural police has decided to arrest as early as today a 22-year-old U.S. seaman (joto suihei) of Nigerian nationality based at Yokosuka Naval Base on suspicion of murder and other charges. In questioning, he has admitted to slaying a taxi driver in Yokosuka, Kanagawa Prefecture. His credit card was found in the taxi of the slain driver.

In a Japan-U.S. Joint Committee meeting today, the Japanese side will request the handover of the seaman, now detained at the U.S. base, under the Japan-U.S. Status of Forces Agreement. The U.S. side is expected to agree to the handover.

The sailor reportedly told investigators, "I did it," and "I heard a voice saying, 'kill a person.'" Once the suspicion that the seaman killed the driver without paying the taxi fares is verified, the prefectural police envisage pressing murder and robbery charges against him.

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The U.S. Navy in Japan seized the seaman, who had left the base without permission, on March 22 in Tokyo. The U.S. Navy notified the Yokosuka municipal government on the same day that "if there is a request for the handover of the sailor from the Japanese side, we will immediately cooperate in accordance with the SOFA."

According to investigations by the prefectural police, the taxi driver, Masaaki Takahashi, 61, was found slain at around 9:20 p.m. March 19 in his taxi at 2-chome, Shioiri-cho, Yokosuka, with a knife in the neck. The sailor's credit card was also found near the feet of Takahashi in the driver's seat.

Lack of education of young service members; Little interest in metropolitan area

Under the Japan-U.S. Status of Forces Agreement, a set of procedures will begin for the handover of the U.S. sailor, who is suspected to have killed the taxi driver in Yokosuka. The newspaper has asked the opinions of residents in municipalities hosting U.S. bases.

? Okinawa

Tetsuei Tamayose, 73, chief organizer of the March 23 Okinawa prefectural rally protesting incidents and accidents committed by U.S. service members, said: "Unless U.S. servicemen are treated in the same way as Japanese people, their 'occupation mentality' will not go away." A 34-year-old female company employee shopping on a street near Kadena Air Base noted, "I feel that education of young service members is insufficient."

? Misawa, Aomori

Yoshikatsu Iwamoto, 70, chairman of the association of communities near Misawa Air Base, Misawa, Aomori Prefecture, commented as his personal view: "We have been suffering from U.S. military aircraft noise. We definitely don't want such incidents."

? Atsugi, Kanagawa

Minako Kato, a 39-year-old housewife of Yamato, Kanagawa Prefecture, hosting NAF Atsugi, took this view: "I often see U.S. service members near my house. I also hear stories that they are awful to women, so I always walk on the opposite side of the street when passing by a U.S. service member."

Yoshiaki Aizawa, 64, of the plaintiffs who have filed the 4th Atsugi base noise suit, said: "If it had occurred in Okinawa, a fiercer outcry would have resulted in. I feel that except for residents near bases, people in the metropolitan area have little interest in a problem like this."

6) Japan has been in negotiations with U.S. military on transfer of custody since suspect was detained

TOKYO SHIMBUN (Page 27) (Abridged)
April 3, 2008

The Kanagawa Prefectural Police Headquarters is set to arrest a U.S. seaman belonging to Yokosuka Navy Base who admitted in questioning that he killed a taxi driver in Yokosuka City, Kanagawa Prefecture. The police have held negotiations with the U.S. Navy on the pre-indictment transfer of custody of the suspect based on the

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Status of Forces Agreement (SOFA). The U.S. government is expected to accept Japan's request.

The SOFA specifies that if the U.S. military detains a service member suspected of committing a crime off-base, the U.S. military will keep the suspect in custody until Japanese authorities bring an accusation. Following the rape of a schoolgirl in Okinawa in 1995, the governments of Japan and the U.S. agreed that the U.S. would give favorable consideration on the handover of suspects in vicious crimes by improving the application of the SOFA.

The police will seek an arrest warrant in accordance with the

improved application. In a Japan-U.S. Joint Committee meeting, representatives from the Japanese government will call for transferring the custody of the seaman.

Since the agreement on better SOFA application, there have been five cases in which the Japanese government sought custody transfer, of which the U.S. military agreed to Japan's request in four cases.

In a robbery and murder case involving a U.S. soldier in Yokosuka in January 2006, the U.S. military speedily handed the suspect over to Japanese authorities before indictment for the first time.

Based on this experience, the prefectural police dispatched investigators to the Yokosuka base immediately after the suspect was put in the custody of the U.S. Naval Criminal Investigation Service to seek their cooperation in the investigation. Japan has continued negotiations on the handover of the suspect with the U.S. Navy while carefully conducting the investigation.

A senior prefectural police officer said: "The negotiations with the U.S. are moving smoothly."

7) Disgruntled locals calling for SOFA revision in reaction to murder case involving U.S. serviceman

TOKYO SHIMBUN (Page 27) (Excerpts)
April 3, 2008

The U.S. sailor who is now in the custody of the U.S. Navy on suspicion of slaying a taxi driver in Yokosuka, Kanagawa Prefecture, admitted to the killing during questioning by Japanese investigators yesterday. Meanwhile, calls are growing among local residents for tougher restrictions on U.S. servicemen and for revising the Japan-U.S. Status of Forces Agreement (SOFA).

A housewife, 52, who lives near the site of the murder, said: "While I am going for a walk with the dog, U.S. servicemen are friendly when they go by. This kind of incident is regrettable." In Yokosuka, an attempted murder case involving a seaman apprentice also took place in July 2007.

A man, 35, who works for a pet shop in the city, commented: "There needs to be a revision of the SOFA and tougher crackdowns by the police."

Numerous reporters gathered in front of the entrance of the Yokosuka Navy Base yesterday, but U.S. military personnel did not respond to their questions. A member of the base affairs division of the Yokosuka municipal government just said: "I refrain from making any comment. We will watch how the investigation develops."

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8) U.S. forces Japan to impose measure calling for self-restraint on drinking, targeting Yokosuka

ASAHI (Page 31) (Full)
April 3, 2008

The commander of the U.S. Navy in Japan, following the murder of a taxi driver in Yokosuka City, yesterday announced a measure running until the 7th that calls for restraint in the drinking of alcoholic beverages in public places. The measure targets military personnel stationed at Yokosuka Navy Base. This will be "a period for showing consideration to the local community," and during that period, restrictions will be placed in principle on movements and activities outside the base from 10:00 pm to 06:00 am.

9) Okinawa, Iwakuni ease ban on going off base for U.S. troops

ASAHI (Page 31) (Full)
April 3, 2008

The U.S. forces in Japan, following such incidents as the arrest of a Marine stationed in Okinawa for raping a schoolgirl, imposed a night curfew measure for two months on U.S. servicemen at bases in

Okinawa and Iwakuni. The curfew was from 10:00 pm to 5:00 am. The USFJ has now announced that the curfew will be changed to cover the time period midnight to 5:00 am. The new curfew will go into effect on April 4. The ban on drinking alcoholic beverages off base will remain in place.

10) Sympathy budget not to be adopted until early next month; Special measure agreement to pass Lower House today, with DPJ opposed

NIKKEI (Page 2) (Excerpt)
April 3, 2008

The House of Representatives Foreign Affairs Committee yesterday adopted by a majority ruling-camp approval the new special measures agreement extending for three years Japan's host nation support (sympathy budget) to cover the costs of stationing U.S. forces in Japan. Three parties - the Democratic Party of Japan (DPJ), Japanese Communist Party, and the Social Democratic Party - all opposed the measure. The agreement will be approved by the full Lower House on the 3rd, and be sent on to the House of Councilors. Although the agreement is likely to be voted down by the Upper House, since it is a treaty, and the Lower House adoption receives priority treatment, the outlook is that the agreement will be adopted in early May.

11) Upper House to vote down sympathy budget; Divided Diet also takes toll on Japan-U.S. alliance

MAINICHI (Page 2) (Abridged slightly)
April 3, 2008

The House of Representatives Foreign Affairs Committee took a vote yesterday on a special agreement on Japan's host-nation support (sympathy budget) for the costs of stationing U.S. forces in Japan, which expired on March 31, and it passed the lower chamber with a majority by the ruling parties. The agreement, however, is expected to be voted down in the opposition-controlled House of Councilors due to opposition by the Democratic Party of Japan. Nevertheless,

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the special agreement, which is treated in the same way as a treaty, is likely to win Diet approval in the end under a constitutional stipulation that gives precedence to the Lower House decision over the Upper House's. The delay in approving the new agreement has already adversely affected the training of U.S. forces in Japan. Confrontation between the ruling and opposition camps under the divided Diet has taken a toll on the Japan-U.S. alliance.

Before the Foreign Affairs Committee, Prime Minister Fukuda yesterday underlined the need to keep the special agreement in place, saying: "The presence of the U.S. military is linked to the security of Japan and all of East Asia. (The special agreement) must be maintained."

The special agreement is expected to be endorsed at a Lower House plenary session today and sent to the Upper House. When the two Diet chambers make different decisions on a treaty or when the upper chamber does not reach a decision within 30 days, the lower chamber's decision takes precedence over the upper chamber's. This means if the agreement is sent to the Upper House on April 3, it will win Diet approval on May 3.

A plan to shift U.S. fighter jet training from U.S. bases to SDF bases within in April has been postponed due to the delay in Diet approval. The agreement also covers salaries for Japanese employees working at U.S. bases. Payments to them would inevitably be delayed until around May 10. Unity costs would also have to be paid temporarily by the U.S. side.

Although the direct impacts would be limited, the divided Diet has again taken a toll on the political front, following the temporary suspension of the Maritime Self-Defense Force's refueling operation in the Indian Ocean. Some are highly concerned about possible long-term adverse effects on the Japan-U.S. alliance, with a senior Defense Ministry official saying, "The U.S. government has a sense of mistrust and displeasure with Japanese politics, which cannot

make decisions."

12) Prime Minister Fukuda expresses displeasure at calls for boycotting Beijing Olympics

TOKYO SHIMBUN (Page 2) (Full)
April 3, 2008

Some in the ruling Liberal Democratic Party (LDP) are calling for boycotting the opening ceremony of the Beijing Olympics over the Tibet riots. When asked about this move, Prime Minister Fukuda expressed displeasure by saying: "At a time when the Chinese government is making efforts, we should say something like 'Japan should not take part in the Olympics.' Japan and China have close relations, so we must make a cool-headed decision."

"No one expects the Olympics to be cancelled. I hope the Chinese government will deal with the current situation appropriately," Fukuda added and expressed hope that the Chinese side would make further efforts to resolve the issue. Fukuda was replying to questions posed by reporters at the Prime Minister's Official Residence.

13) Government to extend economic sanctions against North Korea by six months

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NIKKEI (Page 2) (Full)
April 3, 2008

The government is expected to decide in a cabinet meeting next week to extend its independent economic sanctions against North Korea by another six months after they expire on April 13. The sanctions include two key measures -- prohibiting port entry by all North Korean vessels, including the passenger-cargo ferry Man Gyong Bong-92, and banning all imports from North Korea. This decision reflects the fact that no progress has been made on the abduction and nuclear issues. On the nuclear issue, North Korea has yet to implement the second-phase measures agreed on in the six-party talks, which includes Pyongyang's declaration of its all nuclear programs.

The Japanese government invoked sanctions against North Korea in reaction to the announcement of its nuclear test in October 2006. The government intends to keep in place such sanctions as banning the import of any goods from the North and exports of luxury goods to that nation, as well as prohibiting North Korean nationals from entering the nation in principle. A senior Foreign Ministry official said yesterday: "If there is no change in the current situation, Japan will extend the sanctions."

The government intended to lift the sanctions in accordance with progress on the abduction, nuclear, and missile issues. On the definition of "progress" on the abduction issue, Foreign Minister Masahiko Koumura has said: "If several abductees return to Japan, we will judge that there was progress."

However, the Japan-North Korea working group to discuss normalizing bilateral diplomatic ties has held no meeting since last September. The government has urged North Korea to deal with the abduction and nuclear issues in an appropriate manner by using a variety of channels, for instance, by holding negotiations with North Korean representatives in the Shenyang, China, in October of last year. But "North Korea has made no positive response," a government official said. Pyongyang has begun to take a tough stance again. The Rodong Sinmun (Workers' Newspaper) criticized South Korean President Lee Myung-bak by name on April 1.

South Korean Foreign Affairs and Trade Minister Yu Myung-hwan will arrive in Japan today. On the 20th, President Lee will be visiting Japan. The government takes these visits as a good opportunity for Japan and South Korea to confirm the need to jointly ratchet up pressure on North Korea. It will place importance on trilateral cooperation, including the U.S., in dealing with North Korea.

14) Japan's ODA last year slips to fifth place: Revising ODA strategy a pressing issue

ASAHI (Page 4) (Full)
April 3, 2008

Japan once topped the ODA donor list. However, it now has slipped to fifth place. Since stepping up assistance to developing countries with the aim of achieving millennium development goals, including poverty reduction, will become a major part of the agenda of the July Lake Toya G-8 summit in Hokkaido, the number is shocking for Japan, the host country.

Japan during the 2005 Gleneagles G-8 announced a policy of

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increasing its ODA budget by 10 billion dollars over five years starting in fiscal 2006. Even though it is now strapped with fiscal difficulties, cutting the ODA budget goes against its international commitment. A government source underscored the need to shift the ODA policy from quantity to quality, noting, "Japan must promote aid with mobility by combining yen loans, grant aid and technical cooperation." However, a reduction in ODA loans could let down developing countries and delay development.

It is necessary for the government to fundamentally question how best aid can be extended to developing countries in the run-up to the integration of the yen loan section of the Japan Bank for International Cooperation (JBIC) and the Japan International Cooperation Agency (JICA) expected to take place this fall.

To be precise, the government should come up with a strategic approach, based on local needs, the efficiency of aid and Japan's national interests regarding: (1) package-based aid of consolidating an investment environment for companies and combining the power of the public and private sectors thorough the consolidation of infrastructure in developing countries; (2) extending aid in the form of cooperating with related countries in relevant regions, as can be seen in assistance to Iraq provided by Egypt and Japan; (3) assistance combining Japan's aid know-how and ample oil money of oil-producing countries; and (4) combining aid through international organizations and bilateral aid. The Tokyo International Conference on African Development (TICAD) in May and the July Summit would be the best venues for Japan to reveal its new aid policy.

15) Armed group reaches agreement with Iranian security authorities to release Japanese student

MAINICHI (Page 1) (Excerpts)
April 3, 2008

Takayuki Kasuga, Teheran

Iranian security officials and an armed group that kidnapped Satoshi Nakamura (24), a Japanese student at Yokohama National University, last October when he was traveling in Iran's southeast region, have now reached an agreement to release Nakamura after negotiations, informed sources told the Mainichi yesterday. The question of whether both sides will actually implement the agreement still remains to be seen, but the incident has entered a final phase leading to a full settlement a half year after its occurrence.

According to the informed sources, the criminal group is the drug-smuggling group led by Shahbakhsh. This group agreed with security officials on the release of Nakamura on the conditions that security officials would release two group members now in jail. Reportedly, no ransom will be paid.

Shahbakhsh initially demanded the release of his son (19) and two senior group members. Security officials rejected the demand in terms of preventing a recurrence of kidnapping. But they came around to release the son and one of the two detained group members as a result of negotiations on March 22.

The group has brought Nakamura to somewhere in Pakistan. It has reached an accord with security officials on how to hand Nakamura

over to them, but they remain alert to the group because Nakamura has yet to be released.

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16) In amending law banning child porno, LDP decides to add provision of penalizing "simple possession of child pornography"

MAINICHI (Page 2) (Full)
April 3, 2008

Nariyuki Tanaka, Eriko Horii

The ruling Liberal Democratic Party (LDP) and the major opposition Democratic Party of Japan (DPJ) yesterday each held a working-level meeting to discuss amending the Law for Punishing Acts Related to Child Prostitution and Child Pornography. The LDP decided to add to the law a provision that would punish "simple possession" of child pornographic images showing boys or girls below 18 years of age by individuals, even if part of their personal collections. Meanwhile, the DPJ began full-fledged discussion on an amendment to the law the same day. In the discussion, concern was voiced that restricting simple possession could lead to the abuse of the right to investigate. Both parties are in agreement on the need to revise the law. As the next step for them to take, both parties are likely to search for common ground in the days ahead.

The current law took effect in 1999 and regulates images and videos that show children below 18 in the way to overly stimulate people sexually. Acts that are subject to punishment under the law include production and sale of such images and videos, their possession for the purposes of selling or providing them to someone, and their release on the Internet. But personal possession for one's own collection is not subject to the law. Reportedly, it is Japan and Russia alone among the Group of Eight (G-8) industrialized countries that have yet to ban simple possession.

Partly reflecting America's call on Japan to tighten regulations on child pornography, the ruling parties are gaining steam to amend the law. Last month, the junior coalition partner New Komeito's project team decided to add simple possession to a list of acts subject to punishment.

At a meeting yesterday of its sub-committee on a review of the Law for Punishing Acts Related to Child Prostitution and Child Pornography (chaired by Mayumi Moriyama), the LDP reached agreement on making simple possession of child porn subject a punishable crime, although until recently the party had been cautious about punishing such an act out of concern about the possible abuse of the right to investigate. The LDP decided to punish an act of simple possession on the premise that measures to prevent the abuse of the right to investigate be established so that cases where individuals happen to unintentionally possess child pornographic images, their having been sent to them in the form of junk e-mails.

Meanwhile, the DPJ, prior to the first meeting of its project team on amendment to the Law for Punishing Acts Related to Child Prostitution and Child Pornography (chaired by House of Councillors member Keiko Chiba), had a session with U.S. Ambassador to Japan J. Thomas Schieffer and exchanged views on revisions to the law.

Schieffer emphasized the significance of banning simple possession. In response, Chiba noted, "Given the current state of police investigation in Japan, I feel misgivings about such a regulation."

In the first project team meeting, House of Representatives member

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Yoko Komiyama expressed concern: "All participants want to protect children, but it is troublesome if the right to investigate is abused."

Main points of the LDP's draft amendment to the Law for Punishing Acts Related to Child Prostitution and Child Pornography

? Add "possession without any special purpose" to the list of prohibited acts regarding child pornography (such as production and imports)
? "Possession" should be strictly defined. (Discussion is underway to exclude cases where individuals are not aware that child pornographic images were sent to them and that they happen to possess them.)
? Stipulate a provision on punishment against "possession."

17) Poll: 58 PERCENT favor Fukuda's general-purpose initiative over road tax revenues; Cabinet support at 28 PERCENT

YOMIURI (Top play) (Abridged)
April 3, 2008

Following up the expiration of provisional extra taxation added to gasoline and other taxes used for road construction and other road-related infrastructure projects, the Yomiuri Shimbun conducted a telephone-based nationwide spot public opinion survey on Apr. 1-2. The road-related tax revenues have now been in place for over a half century, and the survey asked people if they supported the idea of incorporating the road-related tax revenues into the state's general account budget to use the tax revenues for other purposes as well. In response to this question, 58 PERCENT answered "yes," with 28 PERCENT saying "no." In their breakdown, "yes" came from 57 PERCENT of those who support the ruling Liberal Democratic Party and from 65 PERCENT of those who support the leading opposition Democratic Party of Japan (Minshuto). The survey shows that an increasing number of people are calling for the government to use the road-related tax revenues for general purposes in addition to highway projects. This will now likely affect the ruling and opposition parties in their discussions.

Prime Minister Fukuda has come up with the idea of abolishing the road-related tax revenues and incorporating the tax revenues into the general account budget from fiscal 2009. In the survey, respondents were asked if they appreciated the idea. To this question, a total of 53 PERCENT answered that they "appreciate very much" or "appreciate somewhat," with a total of 36 PERCENT saying they "don't appreciate very much" or "don't appreciate at all." Among DPJ supporters, 51 PERCENT were also affirmative. Among those with no particular party affiliation, 49 PERCENT gave high marks to the Fukuda initiative.

The rate of public support for the Fukuda cabinet was 28.0 PERCENT , failing to reach 30 PERCENT . The nonsupport rate was 57.7 PERCENT .

Among LDP supporters, the Fukuda cabinet's support rate was 61.6 PERCENT , with its nonsupport rate at 26.7 PERCENT . Among New Komeito supporters, a little over 40 PERCENT supported the Fukuda cabinet. Among DPJ supporters, the Fukuda cabinet's nonsupport rate reached 85.6 PERCENT . Among those unaffiliated, the Fukuda cabinet's support rate was 16.5 PERCENT , with its nonsupport rate at 63.3 PERCENT .

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In the breakdown of public support for political parties, the LDP stood at 27.3 PERCENT , with the DPJ at 22.9 PERCENT .

Respondents were also asked which political party they would vote for in the next election for the House of Representatives in their proportional representation blocs. To this question, 29 PERCENT opted for the DPJ, with 26 PERCENT choosing the LDP. As seen from these figures, the DPJ outstripped the LDP. This can be taken as reflecting a trend found in telephone-based surveys like this one of growing support for the DPJ.

18) Junior LDP lawmakers back Prime Minister Fukuda's decision to use road tax revenues for general purposes

YOMIURI (Page 4) (Full)
April 3, 2008

Maneuvering intensified yesterday between the ruling and opposition parties over Prime Minister Yasuo Fukuda's proposal to allow the revenue sources designated for highway projects to be used for general purposes, starting fiscal 2009.

The executives of the ruling Liberal Democratic Party and its coalition partner New Komeito launched yesterday coordination to exchange agreement notes on the prime minister's proposal. The aim is to make clear their agreement with the integration of the special account from road-related taxes into the general account.

Junior and mid-level Diet members from the two ruling parties, including LDP Lower House member Kenichi Mizuno and New Komeito Lower House Isamu Ueda, held yesterday a preparatory meeting of a parliamentary league aiming to realize Fukuda's proposal, starting FY2009. About 40 lawmakers attended the meeting.

Mizuno emphasized:

"It is true that some LDP members say that since the prime minister's proposal is a pump-primer to find a compromise with the Democratic Party of Japan (DPJ or Minshuto), the proposal will not be implemented. But we will counter such a view."

The parliamentary group has agreed to revote on a bill amending the Special Taxation Measures Law aimed to retain the provisional gasoline tax rate and other road-related taxes in the House of Representatives. However, some group members have called for revising a bill to amend the Road Construction Revenues Special Exemption Law, which allows surplus revenues to be used for other general purposes for 10 years, in line with Fukuda's proposal for shifting the special road revenues to the general revenue funds from FY2009. Lower House Speaker Taro Kono told the press the same day: "If the Lower House takes a vote on the special measures law revision bills without amending, I will prevent the bills from being put to a vote."

The LDP's Nikai faction submitted to the government and the LDP leadership a letter calling for enacting the tax-related bills without amendment. The faction's Lower House member Kotaro Nagasaki told reporters: "We need to debate this further."

19) Ruling camp considering cabinet confidence resolution

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TOKYO SHIMBUN (Page 2) (Full)
April 3, 2008

The ruling parties yesterday began looking into a possibility of presenting a cabinet confidence resolution to the House of Representatives if the main opposition Democratic Party of Japan (DPJ or Minshuto) submits a censure motion against Prime Minister Yasuo Fukuda. The DPJ plans to submit a censure motion against Fukuda should the ruling coalition revote on a bill amending the Special Taxation Measures Law in the House of Representatives. The largest opposition party intends to force the prime minister to dissolve the Lower House after adopting the censure motion in cooperation with other opposition parties.

Since a censure motion has no binding force, Fukuda has no plan to dissolve the Lower House and shuffle his cabinet. Because there is a possibility that public criticism of the cabinet will become stronger, the ruling camp is now considering submitting a confidence resolution to the Lower House, which is controlled by the ruling bloc.

A confidence resolution for the cabinet of Prime Minister Kiichi Miyazawa was adopted in June 1992, which is the only resolution adopted so far.

20) Gas prices drop average 10 yen per liter on April 1, following expiry of provisional tax rate

ASAHI (Page 1) (Excerpts)
April 3, 2008

A special price survey on petroleum products, released yesterday by the Resources and Energy Agency, shows that the average price of regular gasoline per liter throughout the nation as of April 1 was 142.2 yen, down 10.7 yen from the level of March 31, immediately before the expiration of the provisional gas tax rate of 25.1 yen per liter. The margin of the decline in prices varied among eight regions throughout the nation with that in Hokkaido marking 19.6 yen, while Kyushu and Okinawa saw only a 4.9 yen drop. Since gasoline prices have been following an upward trend since last spring, 142.2 yen per liter is the lowest level since early October 2007. The gas tax is a shipment tax imposed when products are shipped from oil factories of oil wholesale companies. It is viewed that it would take 3-4 days for gas stations to sell out gasoline levied with the provisional rate in stock. The outcome of the survey revealed that many gas stations sold previously taxed gasoline at significantly lowered prices.

21) Censure motion against welfare minister: Gaps in stances of opposition parties; SDP in agreement, while PNP remaining cautious

MAINICHI (Page 5) (Full)
April 3, 2008

The Democratic Party of Japan (DPJ) has decided to consider submitting a censure motion against Health, Labor and Welfare (MLIT) Minister Yoichi Masuzoe in connection with the pension fiasco. Gaps in the stances of opposition parties regarding the move have become clear with the Social Democratic Party (SDP) agreeing with the idea, but the People's New Party (PNP) questioning it.

SDP Chairman Mizuho Fukushima during a news conference yesterday

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supported the DPJ's move, saying, "MLIT Minister Masuzoe has clearly broken his pledge." She categorically said, "We would also like to look into submitting a censure motion."

However, PNP head Tamiyuki Watanuki during a press briefing yesterday made a cautious comment, "I cannot tell before I see the details." Secretary General Hisaoki Kamei noted, "This is not a matter concerning deliberations by the Upper House but the issue involving the administration as a whole." He thus indicated his perception that it would be improper to pursue the pension issue by submitting a censure motion against Masuzoe to the Upper House.

22) Yamasaki of LDP meets with senior DPJ members

MAINICHI (Page 5) (Full)
April 3, 2008

Former Vice President Taku Yamasaki and former Secretary General Koichi Kato of the Liberal Democratic Party (LDP), Deputy President Naoto Kan and former Secretary General Yukio Edano of the Democratic Party of Japan (DPJ), and Deputy President Shizuka Kamei of the People's New Party met at a traditional Japanese restaurant in Tokyo yesterday. They exchanged views on the future political situation. Kan sought an early dissolution of the Lower House and a snap election. However, Yamasaki reportedly replied, "That's impossible," citing the Lake Toya G-8 in Hokkaido in July.

SCHIEFFER